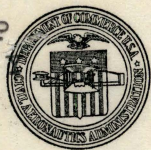


C
O
P



DEPARTMENT OF COMMERCE
CIVIL AERONAUTICS ADMINISTRATION

September 20 1949

Mr. W. O. Jones, City Manager
City of Fort Worth
T e x a s

Dear Mr. Jones:

With reference to your telephone call of September 15 regarding the sale of aviation gasoline at Meacham Field to the CAA, we appreciate the information that you are trying to correct this situation. We also realize that there are several viewpoints and various factors for consideration. As you know the subject of sale of aviation gasoline to the CAA has been discussed with you for a number of years and it is believed advisable to again outline our position in order that you may have adequate justification for arriving at some arrangement that would be fair and equitable.

We realize the desire of the City to make Meacham Field pay its own way as far as possible, and we are also aware that one of your major sources of revenue is the profit on the sale of aviation gasoline.

From the layman viewpoint the Federal Government is spending large sums of money subsidizing the aviation industry and the construction of airports, consequently why should we quibble over a few thousand dollars a year profit you might make on the sale of gasoline to the CAA. Where we have spent \$784,946 in reconstructing runways at Meacham Field, and where we furnish the personnel and equipment for operation of the airport control tower, and in addition communication and traffic facilities, as well as maintenance and operation of aids to air navigation to bring aircraft to Meacham Field and effect safe landings, all of which cost approximately two hundred thousand dollars per annum, it would appear on the surface that we are inconsistent in asking for a reduction in the price of gasoline which would effect a saving to the CAA of two or three thousand dollars per annum.

On the other side of the picture we have to comply with the mandates of Congress, which is the voice of the people, and there are certain laws and procedures under which we operate. Congress has consistently been conservative in our annual year to year operational appropriations; there have been special programs, such as Federal Aid to Airports and the former Pilot Training Program, which operated under different legislation and appropriation from our year to year activities. Consequently, while we might have money in one pocket to give the City of Fort Worth two million dollars aid in building Greater Fort Worth International Airport, there is a very limited amount available for the maintenance and operation of CAA aircraft. Of course it is necessary that we operate aircraft to check the aids to air navigation to produce safety and reliability in the operation of facilities along the airways and at the terminal airports, and for use of our Safety personnel.

It is very evident that Congress intended that our year to year operation cost should be held to a minimum. This is evidenced by the fact that the Federal Airport Act provides that the airport owner or operator shall furnish the Government without charge such space in airport buildings as may be reasonably adequate for use in connection with airport control activities, weather reporting activities and communication activities. This clearly indicates that it is not the intent of Congress for a municipality to make money on the Government in its year to year operation, especially where the Government is aiding the City in developing an airport.

You mentioned your desire to cooperate with the CAA in this respect but that it was a ticklish procedure because of the other operators at Meacham Field who want the City to relinquish the gasoline sale, thus allowing them to go into the gasoline sale business and realize a profit. It hardly seems logical to place the CAA in the same category with the local operators - the CAA is not in business for the purpose of making money whereas the operators at Meacham Field are in the aviation business for the expressed purpose of making a profit on their business. If these operators contributed large sums to build your airports, and were spending hundreds of thousands of dollars annually for facilities and services benefiting the airport, they too might be entitled to handle their own gasoline. However as one Government agency to another we do not feel that either the City or the Federal Government should attempt to make a profit on the other.

Another item reflecting the attitude of the City of Fort Worth toward the CAA is the rental price of the hangar. Several years ago the City proposed construction of one additional hangar and we recommended two, and advised the CAA would rent one on a basis of amortizing it in approximately 15 years. This was considered agreeable. However when the hangar was finished at a cost of \$69,000 the City requested a rental of \$8,400 per annum. There was a demand for hangar space and because the City could get that price from others, stated we could take it or leave it. We feel the City broke faith with the original verbal agreement, and in this instance is also making a nice profit on the CAA.

The New York Port Authority recently constructed an office building for the CAA at a rental of 7% of cost per annum. Oklahoma City is renting thousands of square feet to the CAA at 5 cents per square foot. The few thousand dollars profit the City is making on the CAA may seem a small item but we feel the principle is important.

Your favorable consideration of our request would be appreciated.

Very truly yours,

L. C. Elliott
Regional Administrator